

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Minor Policy and Technical Changes -- Postsecondary Enrollment Options Program (DPI)

[LFB Summary: Page 480, #30 and Page 482, #31]

GOVERNOR

The following changes to the postsecondary enrollment options program are included in the bill:

1. Require a pupil to notify the school board of his or her intention to enroll in an institution of higher education, defined as a UW institution or a private college, under the program at least 90 days before the start of the technical college semester.
2. Provide that a school board would be responsible for the payment of tuition and fees on behalf of a pupil who takes a course at a UW institution or private college, regardless of whether or not the course is taken for high school credit.
3. Specify that a pupil taking a course at a technical college or an institution of higher education would not be responsible for any portion of the tuition and fees for the course, regardless of whether or not the course is taken for high school credit.
4. For each pupil attending a technical college under the program, require the school board to pay to the technical college an amount equal to one of the following: (a) the cost of tuition, course fees and books, if the pupil is enrolled for less than seven credits at the technical college; or (b) the school district's average per-pupil cost for regular instruction and instructional support services in the previous school year, as determined by DPI, multiplied by the result of dividing the number of credits taken by the pupil by 15.

5. Allow the parent or guardian of a pupil taking a course for high school credit at a UW institution or private college to apply to DPI for reimbursement of transportation costs if the pupil's parent is unable to pay these costs.

MODIFICATIONS TO BILL

1. Specify that a pupil would be required to notify the school board of his or her intention to enroll in a UW institution or private college under the program at least 90 days before the start of the UW institution or private college semester, rather than the technical college semester.

2. Provide that a school board would be responsible for the payment of tuition and fees on behalf of a pupil who takes a course at a UW institution or private college, only if the course is taken for high school credit.

3. Specify that a pupil taking a course at a technical college or an institution of higher education would not be responsible for any portion of the tuition and fees for the course, if the course is taken for high school credit.

4. For each semester in which a pupil is enrolled at a technical college under the program, require the school board to pay to the technical college an amount as follows: (a) if the pupil is enrolled for less than seven credits eligible for high school credit, the cost of tuition, course fees and books, at the technical college; or (b) if the pupil is enrolled for seven credits eligible for high school credit, or more, an amount equal to one-half of the school district's average per-pupil cost for regular instruction and instructional support services in the previous school year, as determined by DPI, multiplied by the result of dividing the number of credits taken by the pupil by 15.

5. Allow the parent or guardian of a pupil taking a course for high school credit at a technical college, as well as a UW institution or private college, to apply to DPI for reimbursement of transportation costs.

Explanation: These modifications are needed in order to accomplish the intent of the Governor's recommendations regarding the changes to the postsecondary enrollment options program.

Prepared by: Merry Lar

MO#	Modification														
	BURKE	DECKER	GEORGE	JAUCH	WINEKE	SHIBILSKI	COWLES	PANZER	JENSEN	OURADA	HARSDORF	ALBERS	GARD	KAUFERT	LINTON
	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z	Z
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
	COGGS														
AYE	15														
NO	1														
ABS	0														

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Postsecondary Enrollment Options Program -- UW and Private Colleges (DPI)

[LFB Summary: Page 480, #30]

CURRENT LAW

Under the postsecondary enrollment options (PSEO) program, any public school pupil enrolled in the 11th or 12th grades may enroll in a UW institution, technical college or private, nonprofit college located in the state for the purpose of taking one or more courses. A postsecondary institution may admit a pupil under the program only if space is available and the pupil meets the institution's admission standards. A pupil who intends to participate in the PSEO program must notify the school district by March 1 if he or she intends to enroll in the fall semester, and by October 1 if he or she intends to enroll in the spring semester.

A course may be taken for high school and postsecondary credit or for postsecondary credit only. If a pupil intends to receive high school credit, the school board is responsible for determining whether the district offers a comparable course and if not, whether the course satisfies any of the state's high school graduation requirements and the number of high school credits to be awarded. The school board is required to notify the pupil, in writing, of its decisions before the end of the semester in which the application is submitted. A pupil may appeal the school board's decision to the State Superintendent of Public Instruction.

Pupils attending postsecondary institutions under this program are included in a school district's membership for state aid purposes. If the course is taken for high school credit and a comparable course is not offered in the school district, the district is responsible for payment of an amount to the postsecondary institution as follows:

1. If the pupil attends a UW institution or a technical college, the actual cost of tuition, fees, books and other necessary materials directly related to the course.

2. If the pupil attends a private college, the lesser of: (a) the actual cost of tuition, fees, books and other materials; or (b) an amount determined by multiplying the statewide cost per high school credit, as computed by DPI, by the number of high school credits taken at the college.

The pupil is responsible for payment of tuition and fees for a course taken solely for postsecondary credit or if the school board, or DPI on appeal, determines that the district offers a comparable course.

If a school board determines that the number of resident pupils enrolled in a course at a postsecondary institution is equal to or greater than the number normally required for the district to offer the course and the board expects the situation to continue in the next school year, the school district is required to offer the course in the district in the next school year.

The parent or guardian of a pupil who is taking a course for high school credit that is not comparable to a course offered in the school district may apply to DPI for reimbursement of the costs of transportation between their high school and the postsecondary institution if they are unable to pay these costs.

DPI is required to promulgate rules to implement and administer the PSEO program.

GOVERNOR

Rename the PSEO program "youth options program" and delete the requirement that DPI promulgate rules to administer the program. In addition, establish separate criteria and requirements for pupils attending technical colleges under the program. (Changes to the program for pupils attending technical colleges are discussed in a separate issue paper).

Modify the current program for pupils attending UW institutions and private, nonprofit colleges as follows:

Determination of High School Credit. Require that the State Superintendent involve institutions of higher education in the development of guidelines to assist school districts in determining whether a course taken at a postsecondary institution satisfies any of the state's high school graduation requirements and the number of high school credits to award the pupil for the course, if any.

Timing of Application and Notification. Require a pupil to notify the school board of his or her intention to enroll in a postsecondary institution at least 90 days before the start of the

institution of higher education's semester. Require a school district to notify a pupil of its determinations regarding high school graduation requirements and credits prior to the beginning of the semester in which the pupil will be enrolled at an institution of higher education.

Course Comparability. Delete the requirement that a school board: (a) determine whether a course a student intends to take is comparable to one offered in the school district; and (b) offer a course in the next school year if the number of pupils enrolled in a postsecondary course is equal to or greater than the number normally required for the district to offer the course and the board expects the situation to continue in the next school year. In addition, allow the parent or guardian of a pupil taking a course for high school credit at a postsecondary institution to apply to DPI for reimbursement transportation costs, regardless of whether the course taken is comparable to a course offered by the school district.

Payment of Tuition and Fees. Specify that a pupil taking a course for high school credit at an institution of higher education under this program would not be responsible for any portion of the tuition and fees for the course.

School District Requirements. Require a school board to grant a high school diploma to a pupil who has satisfied all of the state's graduation requirements regardless of whether the pupil met all or a portion of the requirements while attending a postsecondary institution.

DISCUSSION POINTS

1. For the fall, 1996 semester, 383 pupils took a total of 1,599 credits at UW campuses under the PSEO program. In comparison, 163 pupils enrolled in courses at UW campuses in the fall, 1993 semester. Although no estimate on the number of pupils who took courses at private colleges is available, 13 of the 21 colleges participated in the program in 1993-94, while all 21 participated in 1996-97.

A. Timing of Application and Notification

2. According to DOA staff, the proposed change in the dates by which a pupil must notify the school district that he or she intends to participate in the program is intended to increase access to the program. The current deadlines may result in reduced participation because pupils do not have sufficient time to determine which course or courses to take. For example, UW course schedules are not usually available until February or early March for fall semester courses, and October or early November for spring semester courses. The bill would extend the deadline for most pupils, depending on the institution they plan to attend, to late May or early June, for the fall semester courses and to late October or early November for spring semester courses.

3. Some school districts have expressed concerns that the later application deadlines included in SB 77, particularly for fall enrollments, would not allow sufficient time for districts to adjust their budgets and staffing levels in response to changes in enrollments. An option which may accommodate both pupils and school districts would be to change the application dates to November 1 and April 1.

4. To correspond with the proposed change in the application dates, SB 77 would change the deadline for the school board to notify the pupil of its decision regarding graduation requirements and number of high school credits to prior to the beginning of the semester in which the pupil will be enrolled. Thus, a pupil may be unaware of the board's decisions until just before classes begin. Since a school board's determinations could influence the pupil's decision to take the course, it may be reasonable to require the school board to notify the pupil of its determinations at least 30 days prior to the start of the higher education institution's semester.

B. Course Comparability and Payment of Tuition and Fees

5. When the PSEO program was created in the 1991-93 state budget (1991 Act 39), the Joint Committee on Finance modified the Governor's proposal by including the current provision that requires a school board to pay tuition and fees only for a course taken for high school credit which is not comparable to a course offered by the district. Although this provision, as well as the requirement that if a sufficient number of pupils enroll in a postsecondary course, a school board must establish a comparable course in the next school year, was vetoed, both provisions were subsequently included in the administration's recommendations for the 1991-93 budget adjustment act (1991 Act 269).

6. Similar to other proposed changes to the program, DOA staff indicate that the repeal of the comparability requirement is intended to increase pupil participation by expanding the number and type of postsecondary courses in which pupils could enroll. In addition, travel time and longer meeting times for college courses currently cause scheduling difficulties for many pupils. It is argued that repealing the comparability requirement would allow a pupil to schedule larger blocks of time at a postsecondary institution while still meeting his or her graduation requirements.

7. Under the bill, payment for any postsecondary course taken for high school credit would be the responsibility of the school district. DPI administrative rules for the program specify that a school district must grant high school credit provided that the course meets any of the state's high school graduation requirements and the course: (a) is complementary to, consistent with, or expands on, a course of study or sequence of courses offered by the school district; (b) expands an opportunity for the pupil to move to another level of academic or vocational course of study; (c) meets or exceeds the same standards for rigor and content as other courses approved, but not offered, by the school district for credit toward graduation; or (d)

supports, rather than prevents a pupil from completing the state's high school graduation requirements.

8. In 1996-97, the per credit charge for tuition and fees at a UW institution ranges from \$79.33 to \$129.17. The per credit amount charged to school districts for pupils enrolled in private colleges under the PSEO program in 1996-97 is \$194 for colleges which operate on a semester basis and \$129 for colleges which operate on a quarter basis.

9. UW System staff indicate that, on average, pupils enrolled at UW campuses under the PSEO program take one or two courses valued at three to four credits each. Therefore, the current cost to a school district for each course taken by a pupil ranges from approximately \$317 to \$776 per semester for tuition and fees plus an additional amount for books and other materials. A pupil taking 15 credits, which is the maximum number of credits per semester allowed under the program, would result in charges to the school district ranging from \$952 to \$2,910 per semester for tuition and fees.

10. School district comments contained in a 1993 DPI survey of school districts indicate that while a majority of school districts believed that the PSEO program benefitted pupils, many districts viewed the program as an unfunded mandate and expressed concern regarding its impact on district budgets.

11. Since it is not known how many additional postsecondary courses would be taken under the program in the absence of the course comparability requirement, it is not possible to determine the fiscal effect of the Governor's recommendation on school districts. As under current law, a postsecondary institution could accept a pupil only if space is available and the pupil meets the institution's admission standards. However, an increase in the number of pupils participating in the program, or the number of courses taken, is likely to increase school district costs. Savings to a district would result from increased participation only if such an increase was sufficient to cause a reduction in the number of courses offered and teachers employed by the district.

12. Proponents of the current PSEO program argue that it provides pupils with the opportunity to take more challenging courses and encourages school districts, through competition with postsecondary institutions, to provide a broader selection of courses and to be more responsive to the needs of advanced students. However, one could question whether the program, as modified by SB 77, would meet these goals. Districts may have little incentive to expand their course selection since offering a comparable course would no longer prevent a pupil from taking the course at a postsecondary institution. Further, increased costs associated with the program due to a higher participation rate may require a school district to reduce the total number of courses or services offered to students or reduce the number of advanced courses offered.

13. One could argue that the elimination of the course comparability requirement would allow parents of particularly motivated students to shift the cost of up to two years of their

children's postsecondary education to the school district, regardless of the family's financial need.

14. One option which could provide pupils with additional scheduling flexibility, while limiting the financial impact on school districts, would be to specify that a district would be responsible for payment of no more than the equivalent of eight credit hours for courses taken for high school credit which are comparable to courses offered by the district. A pupil would still be permitted to take up to a total of 15 credits per semester and the school district would be required to pay for any courses taken for high school credit which are not comparable to courses offered by the district.

C. Effective Date of Changes to Program

15. Since the bill does not specify an initial applicability date for the proposed changes to the program, these changes, as well as those for pupils enrolled in courses at technical colleges, would take effect on the effective date of the budget bill. Executive budget documents, however, indicate that programmatic changes for pupils attending technical colleges would first take effect in 1998-99. Since establishing a different initial applicability date for provisions relating to technical colleges would create confusion for school districts, pupils and parents, it may be desirable to specify that all of the modifications to the PSEO program would begin in 1998-99.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation.
2. Modify the Governor's recommendation by approving one or more of the following:

a. Timing of Application and Notification

1. Require a pupil to notify the school board of his or her intent to enroll in a postsecondary institution under the program by April 1, if the pupil intends to enroll in the fall semester and by November 1, if the pupil intends to enroll in the spring semester;

2. Require a school board to notify a pupil of its determinations regarding satisfaction of high school graduation requirements and the number of credits to be awarded at least 30 days prior to the start of the institution of higher education's semester.

PUBLIC INSTRUCTION

Youth Options Program for Pupils Attending UW and Private Colleges

Motion:

Move to delete the Governor's recommendation to require a pupil to notify the school board of his or her intent to participate in the program at least 90 days before the start of the semester in which the pupil intends to enroll in an institution of higher education.

Note:

This motion would maintain the current dates by which a pupil is required to notify the school board of his or her intent to enroll in a UW or private college under the program. Under current law, a pupil is required to notify the school board by March 1, if the pupil intends to enroll at a postsecondary institution in the fall semester, and by October 1, if the pupil intends to enroll in the spring semester.

MO# 3229

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 14 NO 2 ABS 0

b. Course Comparability and Payment of Tuition and Fees

1. Modify the Governor's recommendation by specifying that for each pupil participating in the program, a school district would be responsible for payment for no more than the equivalent of eight credit hours per semester for courses taken for high school credit which are comparable to courses offered by the district.

2. Modify the Governor's recommendation by restoring the requirement that a school board determine whether a course a student intends to take is comparable to one offered in the school district. In addition, restore the provision which specifies that a pupil is responsible for tuition and fees for a course if the school board, or the State Superintendent on appeal, has determined that the course is comparable to one offered in the school district.

c. Effective Date of Statutory Changes

1. Modify the Governor's recommendation by specifying that the modifications to the PSEO program would first apply to pupils intending to participate in the program in the fall semester of 1998.

3. Delete the Governor's recommendation.

Prepared by: Merry Larsen

MO# 252

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
JENSEN	<input checked="" type="radio"/>	N	A
OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A
AYE	<u>16</u>	NO <u>0</u>	ABS <u>0</u>

MO# 2C-1

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
GEORGE	<input checked="" type="radio"/>	N	A
JAUCH	<input checked="" type="radio"/>	N	A
WINEKE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
COWLES	<input checked="" type="radio"/>	N	A
PANZER	<input checked="" type="radio"/>	N	A
JENSEN	<input checked="" type="radio"/>	N	A
OURADA	<input checked="" type="radio"/>	N	A
HARSDORF	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
LINTON	<input checked="" type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A
AYE	<u>16</u>	NO <u>0</u>	ABS <u>0</u>

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Postsecondary Enrollment Options Program for Pupils Attending Technical Colleges (DPI)

[LFB Summary: Page 482, #31]

CURRENT LAW

A pupil attending a technical college under the postsecondary enrollment options (PSEO) program must be a state resident enrolled in a public school in the 11th or 12th grade and not enrolled in a technical college as a child-at-risk under the compulsory school attendance law. Pupils must notify their school district by March 1, if they plan to enroll in courses in the fall semester, or by October 1, for spring semester courses. In notifying the school district, the pupil is required to specify the course title, number of credits and whether the course will be taken for high school or postsecondary credit. A technical college may admit a pupil only if space is available and the pupil meets the college's admission standards and application deadlines developed for the PSEO program.

If a course is taken for high school credit, or for both high school and postsecondary credit, and a comparable course is not offered in the school district, the school district is required to pay to the WTCS district the actual cost of tuition, fees, books and other necessary materials directly related to the course. If the school board determines that a comparable course is offered in the school district, or if the course is taken solely for postsecondary credit, the pupil is responsible for payment of tuition and fees.

The parent or guardian of a pupil who is taking a course for high school credit that is not comparable to a course offered in the school district may apply to DPI for reimbursement of the costs of transportation between their high school and the postsecondary institution if they are unable to pay these costs.

DPI, in consultation with the WTCS Board, is required to promulgate rules establishing a uniform format for school boards to use in reporting the number of pupils attending technical colleges under the PSEO program, technical preparation programs, and the compulsory school attendance law, and the number of courses taken for technical college credit and for advanced standing in a WTCS associate degree program. The WTCS Board, in consultation with DPI, is required to establish a uniform format, identical to the format established by DPI, for WTCS district boards to use in reporting this information.

GOVERNOR

Youth Options Program

Establish separate criteria and requirements for high school pupils attending technical colleges, rather than UW institutions and private colleges, under the postsecondary enrollment options (PSEO) program, which would be renamed "youth options program." The program would be structured as follows:

A. *Eligibility and Application Process.* Allow a public school pupil, upon the pupil's request and with the written approval of his or her parent or guardian, to apply to attend a technical college for the purpose of taking one or more courses provided that the pupil: (a) has completed the 10th grade; (b) is in good academic standing; (c) notifies the school board of his or her intent to attend a technical college at least 90 days before the start of the technical college semester; and (d) does not meet the statutory definition of a child-at-risk. Delete the current law provision that specifies that a pupil can attend a technical college under the PSEO program only if he or she is a state resident.

Require a technical college district board to admit a pupil who meets the admission requirements of the program for which he or she applied. Provide that a district board could reject an application from a pupil if the district board determines that the pupil has a record of disciplinary problems. Require the technical college to ensure that the pupil's educational program meets the state's high school graduation requirements.

Require the school board of the school district in which the pupil resides to notify the pupil, in writing and prior to the beginning of the semester in which the pupil will be enrolled, if a course in which the pupil will be enrolled does not meet the graduation requirements.

Specify that the pupil would be eligible to receive both high school and technical college credit for courses successfully completed. Require a school board to grant a high school diploma to a pupil who has satisfied all of the state's graduation requirements regardless of whether the pupil met all or a portion of the requirements while attending a technical college.

B. *Appeals Process.* Provide that if a pupil disagrees with the school board's decision regarding whether the course meets the high school graduation requirements, the pupil could, within 30 days after the decision, appeal to the State Superintendent whose decision would be final and not subject to review.

C. *Payment to Technical College District Board.* For each pupil attending a technical college under the program, require the school board to pay to the technical college district board an amount equal to one of the following: (a) if the pupil is enrolled for less than seven credits eligible for high school credit at the technical college, the cost of tuition, course fees and books; or (b) if the pupil is enrolled for seven or more credits eligible for high school credit at the technical college, the school district's average per-pupil cost for regular instruction and instructional support services in the previous school year, as determined by DPI, multiplied by the result of dividing the number of credits taken by the pupil by 30.

Require that DPI, annually by the third Monday in February, make available to school boards and technical college district boards estimates of these amounts. Require a school board to make the payment to the technical college district board in two installments payable upon initial enrollment of the pupil and at the end of the semester. Specify that the pupil would not be responsible for any portion of the tuition and fees for a course taken at a technical college under the youth options program.

D. *State Aid.* Provide that a pupil attending a technical college under this program would be included in the school district's membership for state aid purposes. Provide that the payments made by school districts to technical college districts under this program would not be included in the technical college district's aidable cost for the purposes of calculating state aid payments to the technical college district.

E. *Transportation.* Specify that a school board would not be responsible for transporting a pupil to or from the technical college the pupil is attending.

Reporting Requirements

Require the State WTCS Board, annually by the third Monday in February, to submit a report to DOA, DPI, the Department of Workforce Development and the Legislature including all of the following information, by school district:

1. The number of pupils who attended WTCS districts under the compulsory school attendance law and the youth options program in the previous school year.
2. The type and number of credits earned by the pupils.

3. The number of persons who applied for admission to a technical college in the previous school year who had previously earned technical college credit under the youth options program and who applied for admission within one year of graduating from high school.

4. A list of the courses given in high schools for which pupils may receive postsecondary credit and the number of pupils enrolled in the courses for postsecondary credit in the previous school year.

5. Any other information considered relevant by the Board.

Repeal the requirement that DPI, in consultation with the WTCS Board, promulgate rules establishing a uniform format for school boards to use in reporting the number of pupils attending technical colleges under the PSEO program, technical preparation programs, and the compulsory school attendance law, and the number of courses taken for technical college credit and for advanced standing in a WTCS associate degree program. Under the bill, the WTCS Board, in consultation with DPI, would still be required to establish a uniform format for WTCS district boards to use in reporting this information.

DISCUSSION POINTS

Background

1. In addition to the PSEO program, there are a number of other current law provisions which allow high school-age pupils to attend technical colleges. A child who is at least 16 years old and is not a child-at-risk may participate in a program or curriculum modification (which can include enrollment at a technical college) leading to the child's high school graduation. A similar provision applies to a child who is at least 17 years old. The payment made by the school district to the WTCS district is determined according to a contractual agreement between the two districts.

A child who is at least 16 years old and a child-at-risk may attend a technical college part-time, or in lieu of high school. As a condition of receiving state aid, each WTCS district board is required to offer day class programs which meet the requirements of these at-risk pupils. The law provides that courses taken at a technical college under this provision do not fulfill the state's high school graduation requirements unless approved by DPI. For these pupils, a school board is required to pay to the WTCS district an amount based on the statewide average instructional cost for general education programs in the WTCS, and additional costs associated with direct student support services, as determined jointly by DPI and WTCS. The pupil's school district is required to fund the cost of transportation, as well as board and lodging, if applicable.

High school pupils may also enroll in technical college courses under technical preparation, youth apprenticeship and other alternative programs which are provided under contracts between individual school districts and WTCS districts. The payment amount for such courses, which may be offered on site at the high school or technical college or provided through distance education, is determined by the contract.

2. In 1995-96, almost 4,000 pupils attended technical colleges in lieu of high school or as a curriculum modification, and another 6,200 pupils took WTCS courses under contracts with school districts. During the same year, a total of 664 pupils enrolled in technical colleges under the PSEO program.

3. According to DOA staff, the proposed changes to the PSEO program for pupils attending technical colleges are intended to increase participation and expand the program to allow more 11th and 12th grade pupils to attend technical colleges on a full-time basis. Although the current program permits a pupil to take up to 15 credits per semester, equivalent to a full-time student, most pupils take only one or two courses. This is primarily due to the course comparability provision.

4. SB 77 includes similar changes to the PSEO program for pupils attending UW and private institutions. Under the bill, the most significant differences between the program for pupils attending WTCS districts and for pupils attending UW and private institutions are that: (a) the school board's payment would increase for pupils attending a WTCS district at least half-time; (b) a WTCS district would be required to ensure that a pupil's education program meets high school graduation requirements; and (c) a WTCS district would be required to admit a qualified pupil regardless of whether space is available. According to DOA staff, these differences are intended to encourage more pupils to attend technical colleges, rather than UW or private institutions, on a full-time basis because school districts tend to emphasize preparation for baccalaureate degree programs over preparation for associate degree programs or the workforce.

5. Given that it is the responsibility of the state's school districts to educate pupils in grades K-12, one could question the proposal's aim of encouraging a greater number of high school pupils to attend technical colleges full-time. Concerns have been raised that a significant increase in the number of high school pupils attending technical colleges could result in an erosion of the academic standards of the technical colleges. In addition, it has been argued that the increase in school district costs which could result from the proposal would result in school districts having to limit the type and number of courses offered. One could argue that, due to the concerns which have been expressed regarding the proposal and since there are already a number of programs under which high school pupils are allowed to attend WTCS districts, pupils attending technical colleges under PSEO should not be treated differently from pupils attending UW or private institutions.

Application Process and Eligibility

6. Under SB 77, a pupil would be required to notify the school board of his or her intent to participate in the program at least 90 days prior to the start of the technical college semester. For most WTCS districts, the fall semester begins in late August or early September, and the spring semester begins in January. Therefore, pupils would have to notify the school district by late May or early June, and by October for enrollment in the fall and spring semesters, respectively. The change is intended to allow pupils sufficient time to choose courses since WTCS course schedules are not usually available until mid-April, after the current March 1 deadline for fall semester enrollment.

7. Some school districts have expressed concern that the later application dates, particularly for fall semester enrollment, would not allow sufficient time for districts to adjust their budgets and staffing levels in response to changes in enrollment due to the program. Therefore, the Committee may wish to retain the current law deadlines.

8. The bill would specify that a pupil would be eligible to receive both high school and technical college credit for courses successfully completed. Under the current PSEO program, a pupil may receive postsecondary and high school credit, or postsecondary credit only; this language is retained for pupils attending UW institutions and private colleges. It may be desirable to specify that a pupil attending a technical college could receive both postsecondary and high school credit, or postsecondary credit only, for courses successfully completed.

9. SB 77 would eliminate the requirement that a pupil's notification to the school district include the title and number of credits offered for each course and whether the course would be taken for high school and postsecondary credit, or postsecondary credit only. Presumably, a school district would need this information to determine whether a course meets the high school graduation requirements and the amount of the payment to the WTCS district. Therefore, the Committee may wish to restore the requirement that the pupil include this information.

10. Under the bill, a technical college would be required to admit a pupil who meets the admission requirements of the program for which he or she applied. However, for WTCS districts, the term "program" refers to a specific course of study leading to a postsecondary degree, vocational diploma or certificate. Since entrance to these programs generally requires that a student hold a high school diploma or the equivalent, it would be appropriate to modify the proposed language to specify that a pupil would be required to meet the requirements or prerequisites of the course or courses for which he or she applied.

11. Under current law, a technical college may admit a pupil under the PSEO program only if space is available. While SB 77 would retain this provision for UW institutions and private colleges, a technical college would be required to accept a pupil even if a course for which the pupil applied is full. WTCS districts have expressed concern that high school pupils could displace adult students in courses for which there are waiting lists. Such concerns could be alleviated by restoring the requirement that a technical college admit pupils only if space is available. However, one could argue that since the technical college would receive tuition for these pupils, they should be given the same access to courses as other WTCS students. Further, the proposed increase in the payment to a WTCS district for pupils enrolled at least half-time is intended to reflect the fact that a WTCS district's costs may increase if additional course sections are needed.

12. Some school districts contend that the bill provision which would allow a WTCS district to reject a pupil who has a record of disciplinary problems is vague and could unfairly exclude these pupils from the program. However, one could argue that since it is intended that pupils participating in the program would take existing WTCS courses, those pupils would have to be academically qualified and not represent a distraction or danger to other students. Further, many pupils who have a record of disciplinary problems may be identified as children-at-risk, for whom separate WTCS programs are currently available.

13. An option which could address the argument that the disciplinary problems provision is too vague and still permit WTCS districts to exclude certain pupils would be to adopt a provision similar to one recommended by the Legislative Council Special Committee on Public School Open Enrollment. Under that provision, a school board could reject an application from a pupil from another school district if the pupil has been expelled from school by any school district during the current or two preceding school years, or disciplinary proceedings are pending, for specified actions by the pupil.

14. SB 77 would require the technical college to ensure that a pupil's educational program meets the state's high school graduation requirements. The bill would also require the school board to notify the pupil prior to the beginning of the technical college semester, if a course in which the pupil will be enrolled does not meet the graduation requirements. It is not clear what is meant by "educational program," or whether a pupil would not be permitted to take a course which does not meet the high school graduation requirements. Further, since the school board is currently required to determine whether a course satisfies the graduation requirements, as well as the number of high school credits to be awarded, it would seem redundant to require the technical college to make such a determination. Another option would be to specify that the school board, in consultation with the WTCS district board, would make the determinations regarding satisfaction of high school graduation requirements and the number of high school credits, if any, to be awarded for a course.

15. SB 77 would require the school board to notify the pupil regarding a course's satisfaction of high school graduation requirements prior to the beginning of the semester in which the pupil will be enrolled. Thus, a pupil may be unaware of the board's decisions until just before classes begin. Since a school board's determinations could influence the pupil's decision whether to take the course, it may be reasonable to require the school board to notify the pupil at least 30 days prior to the start of the technical college semester.

Elimination of Course Comparability Requirement

16. Under current law, a school district is required to pay to the technical college an amount equal to tuition, course fees and books for pupils taking courses for high school credit which are not comparable to those offered in the school district. The pupil is responsible for the payment of tuition and fees for any course which is comparable to one offered by the district or which is taken only for postsecondary credit. The bill would require a school district to pay for courses taken for high school credit, regardless of whether a comparable course is offered by the district.

17. The removal of the course comparability requirement is intended to increase the number of pupils attending technical colleges under the program and to facilitate a pupil's full-time attendance at a technical college. It is difficult for most pupils to attend a postsecondary institution full-time while meeting their graduation requirements, without taking a course which is comparable to one offered in the district. While pupils are not currently prohibited from taking a comparable course, it is likely that more pupils would enroll in such courses if they did not have to pay tuition. In addition, travel time and longer meeting times for postsecondary courses currently cause scheduling difficulties for many pupils who are enrolled in only one or two courses.

18. The following concerns have been raised regarding the elimination of the comparability requirement:

- The resulting increase in pupil participation could force school districts to reduce the number and type of courses offered due to lower enrollments and financial constraints. Pupils who choose not to participate in the youth options program may be disadvantaged.

- Parents of particularly motivated students would be allowed to shift the cost of up to two years of their children's postsecondary education to the school district, and taxpayers. This is a particular concern in the three WTCS districts which provide college parallel programs (Madison, Milwaukee and Nicolet); these are two-year programs which provide for the automatic transfer of credits to four-year UW institutions.

- Current relationships between individual WTCS districts and school districts may deteriorate, resulting in less cooperation on other programs and activities which involve K-12 schools and technical colleges such as technical preparation, youth apprenticeship and distance learning networks.

19. If one of the purposes of the proposed changes to the program is to encourage more pupils to attend technical colleges on a full-time basis, the Committee could consider restoring the comparability requirement except for pupils who, in any academic semester, are enrolled at a technical college full-time.

20. Another option which would allow pupils to take additional courses, while limiting the financial impact on school districts, would be to specify that a school district would be responsible for payment of no more than the equivalent of eight credit hours for courses taken for high school credit in a semester, which are comparable to courses offered by the district. A pupil would still be permitted to take up to a total of 15 credits per semester and the school district would be required to pay for any courses taken for high school credit which are not comparable to courses offered by the district.

Payment to Technical College District Board

21. Aside from the comparability issue, the amount paid by a school district to a WTCS district would be the same under SB 77 as under current law for pupils taking up to six credits for high school credit at the technical college. However, the bill would increase the per credit payment amount for pupils taking seven or more credits for high school credit. For these pupils, payment would be based on the school district's average cost per pupil for regular instruction and instructional support services in the prior year, prorated for pupils who attend the technical college less than full-time. Instructional support services include curriculum development, staff training, library services and the supervision and coordination of instructional staff.

22. In 1995-96, the most recent year for which data is available, the statewide average annual cost per pupil for regular instruction and instructional support services was \$3,793, while these costs for individual districts ranged from \$2,576 to \$7,144. If the proposed provision had been in

place in 1996-97, a school district with average instructional costs would have paid approximately \$885 for a pupil taking seven credits for high school credit at a technical college, whereas if the pupil had taken six credits for high school credit, the district would have been required to pay only \$325 plus the cost of books and other necessary materials. For each credit taken over six credits, the school district would be required to pay significantly more under SB 77, than under current law.

23. WTCS tuition covers an average of approximately 14% of operational costs for postsecondary and vocational-adult courses and approximately 31% of operational costs for college parallel courses. The additional payment, above tuition and fees, is intended to reflect increased costs to the WTCS district for additional services as a pupil spends a greater percentage of time at the technical college and a correspondingly lower percentage of time in the school district. It is argued that since a school district would continue to receive state aid and property tax revenue for a pupil attending a technical college, this funding should "follow" the pupil. In addition, as previously noted, a WTCS district may have to offer additional course sections to accommodate a greater number of high school students which would also increase the district's costs.

24. It is not possible to determine the impact on school districts of the proposed payment changes since it is not known how many pupils would take seven or more credits per semester, and it is not possible to calculate the marginal cost of losing a pupil. However, concerns have been expressed that school districts would discourage pupils from taking more than six credits due to the higher cost for the school district.

25. The bill would require DPI to provide to school districts and WTCS districts, annually by the third Monday in February, estimates of school district instructional costs for the current year, which would be used to calculate payments for pupils attending technical colleges in the following fall and spring semesters. These estimates could vary significantly from actual costs which are not usually known until October following the end of the fiscal year. This uncertainty could be lessened somewhat by the use of the statewide average per pupil cost for regular instruction and instructional support services.

26. The bill would not permit a WTCS district to reject a pupil based on the pupil's need for special services. In his testimony to the Joint Committee on Finance, the Director of the WTCS Board recommended that the bill be modified to provide that for pupils with exceptional educational needs (EEN), the payment by the school district would be adjusted to reflect additional costs associated with serving these pupils. The Committee could consider adopting for this program, a provision similar to one proposed in the bill under the public school open enrollment program. That provision would require that, for EEN pupils, the payment made by the sending school district to the receiving school district be equal to the receiving district's cost to provide any special services required for the pupil; if the cost is such that this payment amount would represent an undue financial burden on the sending district, that district would have the option of refusing to permit the pupil to enroll in the receiving district.

Effective Date of Changes to the Program

27. Since the bill does not specify an initial applicability date for the proposed changes to the PSEO program, these changes, as well as those for pupils enrolled in courses at UW institutions and private colleges, would take effect on the effective date of the budget bill. Executive budget documents, however, indicate that programmatic changes for pupils attending technical colleges under the youth options program would first take effect in 1998-99. WTCS staff have indicated that delaying the effective date until 1998-99, would allow sufficient time for school districts and WTCS districts to prepare for, and inform students of, the changes.

Reporting Requirements

28. Under the bill, the WTCS Board would be required to report annually on data relating to pupil participation in the youth options program as well as other programs under which pupils attend technical colleges. In addition, the Board would be required to submit a list of the courses given in high schools for which a pupil may receive postsecondary credit and the number of pupils enrolled in courses for postsecondary credit in the previous school year. This requirement should be clarified to refer to courses for which a pupil may receive WTCS credit, rather than postsecondary credit.

ALTERNATIVES

A. Separate Criteria and Requirements for Pupils Attending Technical Colleges

1. Approve the Governor's recommendation to establish separate criteria and requirements for pupils attending technical colleges, rather than UW or private institutions, under the PSEO program.

2. Delete the Governor's recommendation and instead, provide that all criteria and requirements for the program for pupils attending UW and private institutions would also apply to pupils attending technical colleges.

B. Eligibility and Application Process

1. Approve the Governor's recommendations regarding eligibility and the application process for the program.

2. Modify the Governor's recommendations as follows:

a. Require that a pupil notify the school board of his or her intent to attend a technical college under the program by March 1 if the pupil intends to enroll in the fall semester and by October 1 if the pupil intends to enroll in the spring semester.

b. Restore the current requirement that the pupil's notification to the school board include the title and number of credits offered for each course in which the pupil intends to enroll and whether the course would be taken for high school and postsecondary credit, or postsecondary credit only.

c. Specify that a pupil attending a technical college could receive both postsecondary and high school credit, or postsecondary credit only, for courses successfully completed.

d. Specify that a technical college would be required to admit a pupil who meets the requirements or prerequisites of the course for which he or she has applied, rather than the "admission requirements of the program."

e. Specify that a WTCS district would not be required to admit a high school pupil unless space is available.

f. Delete the provision which would allow a technical college to reject a pupil if the pupil has a record of disciplinary problems and instead, provide that a technical college could reject a pupil if the pupil has been expelled from school during the current or two preceding school years, or disciplinary proceeding is pending, for any of the following reasons:

- Conveying or causing to be conveyed any threat or false information concerning an attempt or alleged attempt being made or to be made to destroy any school property by means of explosives.

- Engaging in conduct while at school or while under supervision of a school authority that endangered the health, safety or property of others.

- Engaging in conduct while not at school or while not under the supervision of a school authority that endangered the health, safety, or property of others at school or under the supervision of a school authority or of any employee or school board member.

- Possessing a dangerous weapon while at school or while under the supervision of a school authority.

g. Delete the requirement that a technical college ensure that a pupil's education program meets the state's high school graduation requirements. In addition, restore the current law provision which requires a school board to determine whether a course a pupil intends to take satisfies any of the state's high school graduation requirements and the number of high school credits to award the pupil for the course, if any.

h. Delete the requirement that a technical college ensure a pupil's education program meets the state's high school graduation standards. Instead, specify that the school board, in consultation with the WTCS district board, would determine whether a course a pupil intends to take satisfies any of the state's high school graduation requirements and the number of high school credits to award the pupil for the course, if any.

i. Require a school board to notify a pupil at least 30 days prior to the start of the technical college semester if a course in which the pupil will be enrolled does not meet the high school graduation requirements.

3. Delete the Governor's recommendations.

C. Course Comparability Requirement

1. Approve the Governor's recommendation to require a school board to pay for a course taken for high school credit, regardless of whether the course is comparable to one offered by the school district.

2. Modify the Governor's recommendation as follows:

a. Specify that a school district would be responsible for payment for a course that is comparable to one offered in the district only if the pupil is enrolled full-time at the technical college during the semester. Provide that pupils who are enrolled less than full-time at a technical college during the semester would be responsible for payment of tuition and fees for any course taken which is comparable to one offered by the district.

b. Specify that for each pupil participating in the program, a school district would be responsible for payment for no more than the equivalent of eight credit hours per semester for courses taken for high school credit which are comparable to courses offered by the district.

3. Delete the Governor's recommendation. A pupil would be responsible for payment of tuition and fees for any course taken which is comparable to one offered by the district.

D. Payment to Technical College District Board

1. Approve the Governor's recommendation regarding the amount of the payment from a school district to the technical college.

2. Modify the Governor's recommendation as follows:

a. Specify that for pupils taking seven or more credits per semester, the payment amount would be based on the statewide average per pupil cost for regular instruction and instructional support services in the previous school year.

b. Provide that if a pupil with exceptional educational needs (EEN) attends a technical college under the program, the payment from the pupil's school district would be adjusted to reflect the cost of any special services required for the pupil. In addition, provide that if the additional payment would represent an undue financial burden on the school district, the school district could refuse to permit the pupil to enroll at the technical college.

E. Initial Applicability

1. Modify the Governor's recommendation by specifying that the modifications to the PSEO program would first apply to pupils intending to participate in the program in the fall semester of 1998.

2. Take no action.

F. Reporting Requirements

1. Approve the Governor's recommendation.

2. Modify the Governor's recommendation by specifying that the WTCS Board report include a list of the courses given in high schools for which pupils may receive technical college credit, rather than postsecondary credit, and the number of pupils enrolled in the courses for technical college credit in the previous school year.

3. Delete the Governor's recommendations.

Prepared by: Merry Larsen

MO# A-1

BURKE	Y	<u>(Y)</u>	A
DECKER	Y	<u>(Y)</u>	A
GEORGE	Y	<u>(Y)</u>	A
JAUCH	Y	<u>(Y)</u>	A
WINEKE	Y	<u>(Y)</u>	A
SHIBILSKI	Y	<u>(Y)</u>	A
COWLES	<u>(Y)</u>	N	A
PANZER	<u>(Y)</u>	N	A

2 JENSEN	<u>(Y)</u>	N	A
1 OURADA	<u>(Y)</u>	N	A
HARSDORF	<u>(Y)</u>	N	A
ALBERS	<u>(Y)</u>	N	A
GARD	<u>(Y)</u>	N	A
KAUFERT	<u>(Y)</u>	N	A
LINTON	Y	<u>(N)</u>	A
COGGS	Y	<u>(N)</u>	A

AYE 8 NO 8 ABS

MO# A-2

2 BURKE	<u>(Y)</u>	N	A
DECKER	<u>(Y)</u>	N	A
GEORGE	<u>(Y)</u>	N	A
JAUCH	<u>(Y)</u>	N	A
WINEKE	<u>(Y)</u>	N	A
SHIBILSKI	<u>(Y)</u>	N	A
COWLES	Y	<u>(N)</u>	A
PANZER	Y	<u>(N)</u>	A

JENSEN	Y	<u>(N)</u>	A
OURADA	Y	<u>(N)</u>	A
HARSDORF	Y	<u>(N)</u>	A
ALBERS	Y	<u>(N)</u>	A
GARD	Y	<u>(N)</u>	A
KAUFERT	Y	<u>(N)</u>	A
LINTON	<u>(Y)</u>	N	A
COGGS	<u>(Y)</u>	N	A

AYE NO ABS

MO# B-2 a, d, e, i

1 BURKE	<u>(Y)</u>	N	A
DECKER	<u>(Y)</u>	N	A
GEORGE	Y	<u>(N)</u>	A
JAUCH	<u>(Y)</u>	N	A
WINEKE	<u>(Y)</u>	<u>(N)</u>	A
SHIBILSKI	<u>(Y)</u>	N	A
COWLES	<u>(Y)</u>	N	A
PANZER	<u>(Y)</u>	N	A

2 JENSEN	<u>(Y)</u>	N	A
OURADA	<u>(Y)</u>	N	A
HARSDORF	<u>(Y)</u>	N	A
ALBERS	<u>(Y)</u>	N	A
GARD	<u>(Y)</u>	N	A
KAUFERT	<u>(Y)</u>	N	A
LINTON	<u>(Y)</u>	<u>(N)</u>	A
COGGS	Y	<u>(N)</u>	A

AYE 13 NO 3 ABS 0

MO# D-2 b

BURKE	<u>(Y)</u>	N	A
1 DECKER	<u>(Y)</u>	N	A
GEORGE	Y	<u>(N)</u>	A
JAUCH	Y	<u>(N)</u>	A
WINEKE	Y	<u>(N)</u>	A
SHIBILSKI	<u>(Y)</u>	N	A
COWLES	Y	<u>(N)</u>	A
PANZER	Y	<u>(N)</u>	A

JENSEN	<u>(Y)</u>	N	A
OURADA	<u>(Y)</u>	N	A
HARSDORF	<u>(Y)</u>	N	A
ALBERS	<u>(Y)</u>	N	A
GARD	<u>(Y)</u>	N	A
2 KAUFERT	<u>(Y)</u>	N	A
LINTON	<u>(Y)</u>	N	A
COGGS	<u>(Y)</u>	N	A

AYE 11 NO 5 ABS 0

MO# E-1

1 BURKE	<u>(Y)</u>	N	A
DECKER	Y	<u>(N)</u>	A
GEORGE	Y	<u>(N)</u>	A
JAUCH	<u>(Y)</u>	N	A
WINEKE	Y	<u>(N)</u>	A
SHIBILSKI	<u>(Y)</u>	N	A
COWLES	<u>(Y)</u>	N	A
PANZER	<u>(Y)</u>	N	A

JENSEN	<u>(Y)</u>	N	A
OURADA	<u>(Y)</u>	N	A
HARSDORF	<u>(Y)</u>	N	A
ALBERS	<u>(Y)</u>	N	A
2 GARD	<u>(Y)</u>	N	A
KAUFERT	<u>(Y)</u>	N	A
LINTON	<u>(Y)</u>	N	A
COGGS	<u>(Y)</u>	N	A

AYE 13 NO 3 ABS

MO# F-2

1 BURKE	<u>(Y)</u>	N	A
DECKER	<u>(Y)</u>	N	A
GEORGE	<u>(Y)</u>	N	A
JAUCH	<u>(Y)</u>	N	A
WINEKE	<u>(Y)</u>	N	A
SHIBILSKI	<u>(Y)</u>	N	A
COWLES	<u>(Y)</u>	N	A
PANZER	<u>(Y)</u>	N	A

JENSEN	<u>(Y)</u>	N	A
2 OURADA	<u>(Y)</u>	N	A
HARSDORF	<u>(Y)</u>	N	A
ALBERS	<u>(Y)</u>	N	A
GARD	<u>(Y)</u>	N	A
KAUFERT	<u>(Y)</u>	N	A
LINTON	<u>(Y)</u>	N	A
COGGS	<u>(Y)</u>	N	A

AYE 16 NO 0 ABS 0

PUBLIC INSTRUCTION

Youth Options Program for Pupils Attending Technical Changes

Motion:

Move to modify the Governor's recommendation by specifying that for each pupil attending a technical college on a full-time basis under the program, a school board would be responsible for payment for not more than six credits per semester for courses taken by the pupil that are comparable to courses offered in the district. Provide that a pupil taking 12 or more credits during the semester would be considered to be enrolled on a full-time basis.

Note:

Under the current postsecondary enrollment options program, a school board is responsible for payment of tuition and fees for a course taken for high school credit which is not comparable to one offered in the district. SB 77 would require a school board to pay for any course taken at a technical college for high school credit, regardless of whether the course is comparable to one offered by the school district. This motion would specify that, for a pupil who is enrolled full-time at a technical college, a school board would be required to pay for not more than six credits per semester for courses that are comparable to courses offered by the district. The motion would define "full-time" as 12 or more credits per semester.

MO#

3230

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHISILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
AYE	15	NO	1
			ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Reestimate of GPR Revenue from MA Reimbursement for School Based Services (DHFS/DPI)

CURRENT LAW

1995 Wisconsin Act 27 established "school medical services" as a medical assistance (MA) benefit. School medical services are defined as health care services provided in a school to children who are eligible for MA. These services must be appropriate to a school setting and may include: (a) speech, language, audiology and hearing services; (b) occupational and physical therapy services; (c) psychological or counseling services; (d) nursing services; (e) durable medical equipment; and (f) special transport services.

If a school district or cooperative educational service agency (CESA) elects to provide school based services and if it meets all certification and reporting requirements, it is reimbursed for 60% of the federal share of allowable charges for school based services. The remaining 40% of the federal share is credited to the general fund as GPR-earned.

GOVERNOR

Estimate that MA reimbursements for school based services deposit to the general fund will total \$341,700 in 1996-97 and \$222,400 in 1997-98 and 1998-99.

DISCUSSION POINTS

1. As of April 31, 1997, \$895,900 of federal MA reimbursement for school based services was deposited to the general fund for the 1996-97 fiscal year. By the close of the fiscal

year, it is estimated that a total of \$1,154,300 will be deposited to the general fund. This would increase the opening balance of the general fund by \$812,600, compared to previous estimates.

2. In addition, it is estimated that the state's share of the federal reimbursement for these services will increase GPR revenues by \$1,550,300 annually in 1997-99. This amount represents an increase of \$1,327,900 annually from the amounts assumed in SB 77.

MODIFICATION TO BILL

1. Increase estimated revenues to the general fund by \$1,327,900 annually to reflect reestimates of MA reimbursement for school based services. In addition, increase projected revenues to the general fund by \$812,600 in 1996-97.

<u>Modification</u>	<u>GPR</u>
1997-99 REVENUE (Change to Bill)	\$2,655,800

Prepared by: Amie T. Goldman

MO# modification

1	BURKE	<u>Y</u>	N	A
	DECKER	<u>Y</u>	N	A
	GEORGE	<u>Y</u>	N	A
	JAUCH	<u>Y</u>	N	A
	WINEKE	<u>Y</u>	N	A
2	SHIBILSKI	<u>Y</u>	N	A
	COWLES	<u>Y</u>	N	A
	PANZER	<u>Y</u>	N	A
	JENSEN	<u>Y</u>	N	A
	OURADA	<u>Y</u>	N	A
	HARSDORF	<u>Y</u>	N	A
	ALBERS	<u>Y</u>	N	A
	GARD	<u>Y</u>	N	A
	KAUFERT	<u>Y</u>	N	A
	LINTON	<u>Y</u>	N	A
	COGGS	<u>Y</u>	N	A
AYE <u>16</u> NO <u>0</u> ABS <u>0</u>				

PUBLIC INSTRUCTION

Move DPI Staff to Milwaukee, Purchase of Sinai Samaritan Hospital

Motion:

Move to:

- (a) Enumerate the purchase and remodeling of Sinai Samaritan Hospital and provide \$20 million of general obligation bonding for this purpose;
- (b) Specify that the State Superintendent of Public Instruction would be required to maintain an office in Milwaukee, which would be staffed by all the positions currently located at GEF III, except at most 10.0 positions which could be retained in Madison. Provide that this requirement would apply once the Secretary of Administration certifies that suitable state-owned office space is ready for occupancy in Milwaukee; and
- (c) Provide \$900,000 GPR in 1997-98 in the Joint Finance Committee's appropriation for release under s.13.10 of the statutes for office moving and household relocation costs associated with the required move of DPI staff to Milwaukee.
- (d) Specify that this relocation to Milwaukee would not apply to positions subject to transfer from DPI to other agencies under SB 77.

Note:

This motion would enumerate the purchase and remodeling of the Sinai Samaritan Hospital with a project budget of \$20 million. The motion would require that all DPI positions currently located at GEF III move to Milwaukee, except at most 10 which could remain in Madison.

Staff from the Department of Administration have provided information relating to the potential costs associated with the proposed purchase of the Sinai Samaritan facility. Based on this information from DOA, the facility contains approximately 740,000 rentable square feet. DPI would require approximately 70,000 square feet. If the facility could be purchased for \$17 million, annual debt service would be an estimated \$1.4 million annually over the 20-year life of the bonds. It is estimated that conversion of medical space to Class A office space would cost approximately \$30 per square foot, or an estimated \$2.1 million in remodeling costs for DPI's

space, which could be funded out of bond proceeds. Debt service on this additional borrowing would cost an estimated \$175,000 annually. In addition, building operating costs at \$4.50 per square foot would require \$315,000 of annual funding. Based on these DOA assumptions, at a purchase price of \$17 million, it would cost an estimated \$1,890,000 annually for debt service and facility operating costs associated with the DPI space.

DOA estimates that it could cost \$600 per FTE to move the DPI office to Milwaukee. If 400 FTE positions are moved, this would require \$240,000 of funding. Under current law, the state must provide financial assistance to state employees who are required to move. Using the assumption that 200 employees would choose to move to Milwaukee, an estimated \$620,000 of funding would be needed to fund these costs. In total, estimated move related costs would total \$860,000. The motion would provide \$900,000 GPR in 1997-98 in the Joint Committee on Finance GPR supplement appropriation for this purpose.

Current DOA space rental rates for Class A office space is \$15.10 per square foot. If this facility would be part of the state office space managed by DOA, the costs associated with acquiring and remodeling the space would be incorporated in the DOA space rental account. This could lead to an earlier increase in the DOA charges for office space than would otherwise be the case.

[Change to Base: \$20,000,000 BR, \$900,000 GPR]

[Change to Bill: \$20,000,000 BR, \$900,000 GPR]

MO# 3185

BURKE	<input checked="" type="radio"/> Y	<input type="radio"/> N	<input type="radio"/> A
DECKER	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	<input type="radio"/> A
/GEORGE	<input checked="" type="radio"/> Y	<input type="radio"/> N	<input type="radio"/> A
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